



EAGLE HOSPITALITY TRUST

Comprising:

EAGLE HOSPITALITY REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 11 April 2019 under the laws of the Republic of Singapore)

EAGLE HOSPITALITY BUSINESS TRUST

(a business trust constituted on 11 April 2019 under the laws of the Republic of Singapore)

Update Announcement #31 – (1) Grant of Orders Approving Sale of 14 Chapter 11 Properties, and (2) Overrule of Objections against Sale

1. INTRODUCTION

- 1.1 DBS Trustee Limited, in its capacity as trustee (the “**REIT Trustee**”) of Eagle Hospitality Real Estate Investment Trust (“**EH-REIT**”) wishes to provide an update to stapled securityholders (the “**Stapled Securityholders**”) of Eagle Hospitality Trust (“**EHT**”) on (a) the grant of orders by the United States Bankruptcy Court approving, *inter alia*, the sale of 14 of the Chapter 11 Properties¹ (excluding the Queen Mary Long Beach) following the auction held on 20 May 2021 (the “**Auction**”), and (b) the United States Bankruptcy Court overruling the objections filed against the sale of these Chapter 11 Properties.
- 1.2 References are also made to the announcement “Update Announcement #29” dated 24 May 2021 (“**Announcement #29**”). Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings as given in Announcement #29.

2. GRANT OF SALE ORDERS BY THE UNITED STATES BANKRUPTCY COURT

Chapter 11 Entities File Reply in Support of Sale Motion

- 2.1 As mentioned in Update Announcement #29, following the Auction held on 20 May 2021, both (a) the successful bids and back-up bids received at the Auction for the Auctioned Properties², and (b) the successful bids by the Stalking Horse Bidder for the Non-Auctioned Properties³ were subject to approval by the United States Bankruptcy Court at a hearing scheduled for 28 May 2021 (the “**Sale Hearing**”), in accordance with a motion (the “**Sale Motion**”) filed by the Chapter 11 Entities⁴. On 26 May 2021, the Chapter 11 Entities filed a reply (the “**Reply**”)

¹ The Chapter 11 Properties are the (a) Doubletree by Hilton Salt Lake City Airport, (b) Hilton Atlanta Northeast, (c) Sheraton Denver Tech Center, (d) Holiday Inn Resort Orlando Suites - Waterpark, (e) Embassy Suites by Hilton Anaheim North, (f) Holiday Inn Denver East - Stapleton, (g) Renaissance Denver Stapleton, (h) Four Points by Sheraton San Jose Airport, (i) Holiday Inn Hotel & Suites Anaheim, (j) Holiday Inn Hotel & Suites San Mateo, (k) Sheraton Pasadena, (l) Crowne Plaza Danbury, (m) Embassy Suites by Hilton Palm Desert, (n) Queen Mary Long Beach and (o) Westin Sacramento.

² The Auctioned Properties are the (a) Sheraton Denver Tech Center, (b) Four Points by Sheraton San Jose Airport, (c) Embassy Suites by Hilton Anaheim North, (d) Doubletree by Hilton Salt Lake City Airport, and (e) Hilton Atlanta Northeast.

³ The Non-Auctioned Properties are the (a) Holiday Inn Resort Orlando Suites - Waterpark, (b) Holiday Inn Denver East - Stapleton, (c) Renaissance Denver Stapleton, (d) Holiday Inn Hotel & Suites Anaheim, (e) Holiday Inn Hotel & Suites San Mateo, (f) Sheraton Pasadena, (g) Crowne Plaza Danbury, (h) Embassy Suites by Hilton Palm Desert, and (i) Westin Sacramento.

⁴ The Chapter 11 Entities are (a) 5151 Wiley Post Way, Salt Lake City, LLC, (b) ASAP Cayman Atlanta Hotel LLC, (c) ASAP Cayman Denver Tech LLC, (d) ASAP Cayman Salt Lake City Hotel LLC, (e) ASAP Salt Lake City Hotel, LLC, (f)

seeking approval of the sale of the Auctioned Properties and Non-Auctioned Properties to the respective successful bidders and back-up bidders, as applicable.

Unsecured Creditors' Committee Files Reply in Support of the Sale Motion

2.2 In connection with the Reply, the Committee of Unsecured Creditors of the Chapter 11 Entities (which was formed as a result of the Chapter 11 Filing) (the “**Unsecured Creditors' Committee**”) also filed a statement in support of the Sale Motion, which stated that (a) the Unsecured Creditors' Committee believes that the Chapter 11 Entities appropriately marketed the hospitality assets and canvassed the landscape of potential buyers to identify all potential qualified bidders, (b) the bidders (including potential bidders) were afforded opportunities to submit their bids and provide information reasonably requested by the Chapter 11 Entities (in consultation with the Unsecured Creditors' Committee) to assess the bids, and (c) the process was fair and conducted in a manner to obtain the highest or otherwise best bids from the qualified bidders.

Grant of Sale Orders by the United States Bankruptcy Court at the Sale Hearing

2.3 At the Sale Hearing, the United States Bankruptcy Court entered, *inter alia*, orders approving the sale of the 14 Chapter 11 Properties (excluding the Queen Mary Long Beach) to the successful bidders and back-up bidders (the “**Sale Orders**”), as follows:

Auctioned Properties

Auctioned Property	Successful Bidder / Successful Bid (US\$'mil)	Back-Up Bidder / Back-Up Bid⁵ (US\$'mil)
Sheraton Denver Tech Center	Solid Rock Ventures, LLC / 9.2	Stalking Horse Bidder / 8.5
Four Points by Sheraton San Jose Airport	BPEHT LLC / 41.1	Stalking Horse Bidder / 40.9
Embassy Suites by Hilton Anaheim North	Stalking Horse Bidder / 33.1	BPEHT LLC / 33.0
Double Tree by Hilton Salt Lake City Airport	BPEHT LLC / 33.8	Stalking Horse Bidder / 33.6
Hilton Atlanta Northeast	FullG Capital Ltd. / 38.2	Stalking Horse Bidder / 38.0

Non-Auctioned Properties

Non-Auctioned Property	Successful Bidder
Holiday Inn Resort Orlando Suites - Waterpark	Stalking Horse Bidder
Holiday Inn Denver East - Stapleton	Stalking Horse Bidder
Renaissance Denver Stapleton	Stalking Horse Bidder
Holiday Inn Hotel & Suites Anaheim	Stalking Horse Bidder

Atlanta Hotel Holdings, LLC, (g) CI Hospitality Investment, LLC, (h) Eagle Hospitality Real Estate Investment Trust, (i) EHT Cayman Corp Ltd., (j) Eagle Hospitality Trust S1 Pte. Ltd., (k) Eagle Hospitality Trust S2 Pte. Ltd., (l) EHT US1, Inc., (m) Sky Harbor Atlanta Northeast, LLC, (n) Sky Harbor Denver Holdco, LLC, (o) Sky Harbor Denver Tech Center LLC, (p) UCCONT1, LLC, (q) UCF 1, LLC, (r) UCHIDH, LLC, (s) UCRDH, LLC, (t) Urban Commons 4th Street A, LLC, (u) Urban Commons Anaheim HI, LLC, (v) Urban Commons Bayshore A, LLC, (w) Urban Commons Cordova A, LLC, (x) Urban Commons Danbury A, LLC, (y) Urban Commons Highway 111 A, LLC, (z) Urban Commons Queensway, LLC, (aa) Urban Commons Riverside Blvd., A, LLC, and (bb) USHIL Holdco Member, LLC.

⁵ A back-up bid is the second highest or otherwise best bid received during the Auction. If the proposed sale of the relevant Auctioned Property to the successful bidder is terminated prior to the release of such back-up bid by the Chapter 11 Entities, the back-up bidder shall be deemed to be the successful bidder and shall be obligated to consummate the back-up bid as if it were the successful bidder.

Holiday Inn Hotel & Suites San Mateo	Stalking Horse Bidder
Sheraton Pasadena	Stalking Horse Bidder
Crowne Plaza Danbury	Stalking Horse Bidder
Embassy Suites by Hilton Palm Desert	Stalking Horse Bidder
Westin Sacramento	Stalking Horse Bidder

The Non-Auctioned Properties have an aggregate purchase price of US\$326.5 million in accordance with the terms of the Stalking Horse Agreement. Thus, the aggregate consideration⁶ to be paid by the respective successful bidders for the Auctioned Properties and the Non-Auctioned Properties is US\$481.9 million, which represents a US\$24.8 million net increase in the aggregate consideration for such properties compared to the Stalking Horse Bid on its own.

- 2.4 In connection with the entry of the Sale Orders, the United States Bankruptcy Court found, *inter alia*, that:
- (a) the consideration to be provided by each of the successful bidders and the Stalking Horse Bidder (as the case may be) is fair and reasonable, and constitutes the highest and best bid, for the respective Chapter 11 Properties to be sold; and
 - (b) the sale of the 14 Chapter 11 Properties (being the Auctioned Properties and the Non-Auctioned Properties), including the underlying transaction documents, are authorised and approved in their entirety, and the Chapter 11 Entities are authorised and empowered to transfer such assets in accordance with the respective terms of the transaction documents.
- 2.5 Completion of the sale of the 14 Chapter 11 Properties is currently expected to take place in June 2021.
- 2.6 The sale process was conducted in a rigorous manner with the view to maximise sale proceeds. Despite a net increase achieved in the aggregate consideration, based on the proceeds to be generated by the court-approved sale transactions and the debt profile of the Chapter 11 Entities, and subject to the claims resolution process, it is unlikely that claims of all creditors of the Chapter 11 Entities will be satisfied in full from the sale proceeds, and accordingly, the sale proceeds are not expected to result in a recovery for Stapled Securityholders.

3. **OBJECTIONS TO SALE OF CHAPTER 11 PROPERTIES OVERRULED BY THE UNITED STATES BANKRUPTCY COURT**

Objection to Sale Motion Filed by Sponsor-related Parties

- 3.1 In connection with the filing of the Sale Motion, Constellation Hospitality Group, LLC (“**Constellation**”), on behalf of itself and a group of its investors, including Howard Wu and Taylor Woods (being the individuals who own the Sponsor of EHT) (collectively, the “**Sponsor Parties**”) filed an objection to the Sale Motion (the “**Sponsor Objection**”) with the United States Bankruptcy Court on 24 May 2021. The Sponsor Objection stated, *inter alia*, that the Sponsor Parties continue to believe, and assert, that the proposed sale transaction with the successful bidders does not maximise value for the Chapter 11 Entities’ estates, and that Constellation aims to be in a position to present a revised Chapter 11 plan bid to the Chapter 11 Entities and the United States Bankruptcy Court in advance of the Sale Hearing. The Sponsor Objection further requested that the United States Bankruptcy Court deny the Sale Motion and adjourn the Sale Hearing.

⁶ The aggregate consideration to be paid by the respective successful bidders for the 14 Chapter 11 Properties (excluding the Queen Mary Long Beach) will be subject to the closing adjustments provided for in the respective transaction documents for such sales.

Objection to Sale Motion Filed by Ad Hoc Equity Committee

- 3.2 In addition, the ad hoc committee of Stapled Securityholders (the “**Ad Hoc Committee**”) also filed an objection to the Sale Motion (the “**Ad Hoc Committee Objection**”) prior to the Sale Hearing. The Ad Hoc Committee Objection stated that the Sale Hearing should be postponed until 1 June 2021 in order to realise the benefits of a potential future bid by Constellation. The Ad Hoc Committee Objection further stated that Constellation (a) had submitted a Chapter 11 plan bid and indicated its intention to tender a refined bid for the Non-Auctioned Properties that would provide greater value to the Chapter 11 Entities’ estates than the Stalking Horse Bid, including a recovery to existing Stapled Securityholders, (b) was working to provide evidence of committed financing for such refined Chapter 11 plan bid, and (c) had already tendered a deposit.

Response by Chapter 11 Entities

- 3.3 In their Reply, the Chapter 11 Entities detailed their concerns in respect of the Chapter 11 plan bid that Constellation submitted under the Second Bid Round (the “**Constellation Bid**”), including, *inter alia*, the following:
- (a) the Constellation Bid proposed to release Mr Howard Wu and Mr Taylor Woods (being the individuals who own the Sponsor of EHT) of all of the Chapter 11 Entities’ claims against them while providing them with an unspecified recovery for their alleged putative claims against the Chapter 11 Entities;
 - (b) Constellation’s deposit was less than the required 10% of Constellation’s proposed purchase price for the equity in EHT US1, Inc. (being a Chapter 11 Entity) pursuant to the Constellation Bid, nor did the bid set forth the terms of such deposit, including the conditions upon which such deposit would be released to the Chapter 11 Entities;
 - (c) the proposed funding sources for the Constellation Bid were uncertain and non-binding;
 - (d) Constellation’s proposed aggregate distributions to creditors were less than the net proceeds available as a result of the Auction, nor had Constellation obtained agreements from any creditor class for a reduction in treatment reflected in its proposed Chapter 11 plan bid; and
 - (e) despite repeated requests from the Chapter 11 Entities, Constellation failed to submit a definitive agreement in respect of the proposed transaction, which was required by the bidding procedures for the Second Bid Round. Further, without such a definitive agreement, the Chapter 11 Entities would not be able to determine the extent of Constellation’s commitment, including the terms and conditions of its deposit and the release thereof.

Rulings by the United States Bankruptcy Court

- 3.4 At the Sale Hearing, each of the Sponsor Objection and Ad Hoc Committee Objection was overruled by the United States Bankruptcy Court. Accordingly, the requests of the Sponsor Parties and the Ad Hoc Committee under the Sponsor Objection and the Ad Hoc Committee Objection respectively, to postpone the Sale Hearing were denied. Among other things, the United States Bankruptcy Court found that:
- (a) the results of the Auction represented the best deal that was reasonably achievable under the circumstances, and neither the Sponsor Parties nor the Ad Hoc Committee had shown that the Constellation Bid represented a better deal, compared to the results of the Auction, and the United States Bankruptcy Court judge observed that there were features of the Constellation Bid which made it inferior to the transactions contemplated in the Sale Motion;
 - (b) the numerous contingencies contained in the Constellation Bid’s financing proposal and the proposed three-day delay would put the Chapter 11 Entities and their creditors at

significant risk of losing the successful bids obtained at the Auction after a lengthy court-approved process;

- (c) the United States Bankruptcy Court judge noted that an extensive and thorough marketing, bidding and auction process was carried out leading up to the sales contemplated under the Sale Motion and such sales are the best deals reasonably achievable. The need for a closure on the sale transactions in a timely manner that maximises the value of the 14 Chapter 11 Properties outweighed risking the Chapter 11 Entities and their respective creditors' recovery (in order of their ranking and priority) from the sale proceeds for the possibility that a better deal might come together during the proposed three-day delay; and
 - (d) the eleventh-hour submission of the Constellation Bid in its current state was inadequate and did not warrant a disruption to the Sale Hearing.
- 3.5 In addition, the United States Bankruptcy Court also overruled all other objections to the Sale Motion, including the objection filed by certain ASAP-related entities⁷ that asserted an ownership interest in a parcel of land adjacent to the Hilton Atlanta Northeast hotel.
- 3.6 Upon the closing of the court-approved sale transactions of the 14 Chapter 11 Properties, the Chapter 11 Entities will have completed the disposition of their principal assets, other than the Queen Mary Long Beach lease, for which no qualified bids have been received to date, and for which none may materialise.

Additional information regarding the Sale Orders, the Sponsor Objection and the Ad Hoc Committee Objection, the Omnibus Reply and the Constellation Bid is available on www.donlinrecano.com/eagle. The REIT Trustee will update Stapled Securityholders of any material developments in respect of the abovementioned matters, including at the appropriate juncture, engaging with Stapled Securityholders on the next steps with respect to the Chapter 11 proceedings, including addressing any key remaining queries which Stapled Securityholders may have.

Stapled Securityholders are advised to read this Announcement issued by the REIT Trustee and any further announcements by the REIT Trustee carefully. Stapled Securityholders should note that there is no certainty or assurance that there will be a restructuring and/or reorganisation under Chapter 11 or that Stapled Securityholders will receive any value in the event of a disposal of EHT's properties whether pursuant to the Chapter 11 cases and/or the Section 363 sale process, a foreclosure sale or otherwise. Stapled Securityholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

Issued by:

DBS Trustee Limited
(Company Registration No.: 197502043G)
as trustee of Eagle Hospitality Real Estate Investment Trust

Date: 1 June 2021

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⁷ The ASAP group is the vendor of six (6) of the hotels in EHT's initial portfolio in connection with the IPO of EHT, including the Hilton Atlanta Northeast.

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